

MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION

Type of Requestor: (X) HCP () IE () IC		Response Timely Filed? (X) Yes () No	
Requestor Vista Medical Center Hospital 4301 Vista Rd. Pasadena, TX 77504		MDR Tracking No.: M4-04-2251-01	
		TWCC No.:	
		Injured Employee's Name:	
Respondent Liberty Mutual Insurance Co. Rep. Box # 28		Date of Injury:	
		Employer's Name: United Parcel Service Inc.	
		Insurance Carrier's No.: 949470811	

PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	To			
11-4-02	11-15-02	Inpatient Hospitalization	\$70,928.91	\$2696.99

PART III: REQUESTOR'S POSITION SUMMARY

Payment not in accordance with Acute In-Patient Stop Loss Fee Guideline.

PART IV: RESPONDENT'S POSITION SUMMARY

Upon conducting a line audit, it was determined that the charges for implants were inflated...Liberty Mutual does not believe that Vista Medical Center Hospital is due any further reimbursement for services.

PART V: MEDICAL DISPUTE RESOLUTION REVIEW SUMMARY, METHODOLOGY, AND/OR EXPLANATION

This dispute relates to inpatient services provided in hospital setting with reimbursement subject to the provisions of Rule 134.401 (Acute Care Inpatient Hospital Fee Guideline). The hospital has requested reimbursement according to the stop-loss method contained in that rule. Rule 134.401(c)(6) establishes that the stop-loss method is to be used for "unusually costly services." The explanation that follows this paragraph indicates that in order to determine if "unusually costly services" were provided, the admission must not only exceed \$40,000 in total audited charges, but also involve "unusually extensive services."

The discharge summary indicates claimant underwent "Bilateral laminectomy L3-4, L4-5, L5-S1. S1-S2; Excision of herniated lumbar disc L4-5, L5-S1; Excision of spinous process L3, L4, L5 and S1; Exploration of fusion mass; Excision of fibrosis, pseudoarthrosis S1-S2; Anterior fusion from posterior approach using 11X24 BAK cages at L4-5 and 13X24 BAK at L5-S1 and interbody techniques; Sacroiliac graft; Lateral transverse fusion L4 to S2; EBI bone stimulation lateral transverse fusion L4-S2; Posterior lateral facet fusion L4 to S2; Bilateral lateral instrumentation L4-S1 with bilateral 1/4" rods and double crosslinks; and fat graft L3 to S2."

After reviewing the documentation provided by both parties, it **does** appear that this particular admission involved "unusually extensive services." In particular, this admission resulted in a hospital stay of 11 days based upon above procedures.

The requestor billed \$204,328.97 for the hospitalization. In determining the total audited charges, it must be noted that the insurance carrier has indicated some question regarding the charges for the implantables. The requestor billed \$122,152.00 for the implantables. The actual cost for the implants per invoices was \$20,218.00.

Based on a review of numerous medical disputes and our experience, the average markup for implantables in many hospitals is 200%. This amount multiplied by the average mark-up of 200% results in an audited charge for implantables equal to \$40,436.00.

The audited charges for this admission, excluding implantables, equals \$204,328.97 minus \$122,152.00 = \$82,176.97. This number

minus personal convenience and unrelated numbers and charges included in facility charges per carrier's audit = \$82,176.97 - \$9,259.88 = \$72,917.09. This amount plus the above calculated audited charges for the implantables equals \$113,353.09, the total audited charges. This amount multiplied by the stop-loss reimbursement factor (75%) results in a workers' compensation reimbursement amount equal to \$85,014.81.

The insurance carrier audited the bill and paid \$82,317.82 for the inpatient hospitalization. The difference between amount paid of and amount due = \$2,696.99.

Based on the facts of this situation, the parties' positions, and the application of the provisions of Rule 134.401(c), we find that the health care provider is entitled to a reimbursement amount for these services equal to \$2,696.99.

PART VI: COMMISSION DECISION AND ORDER

Based upon the review of the disputed healthcare services, the Medical Review Division has determined that the requestor is entitled to additional reimbursement in the amount of \$2696.99. The Division hereby **ORDERS** the insurance carrier to remit this amount plus all accrued interest due at the time of payment to the Requestor within 20-days of receipt of this Order.

Findings and Decision by:

	Elizabeth Pickle	April 27, 2005
Authorized Signature	Typed Name	Date of Order

PART VII: YOUR RIGHT TO REQUEST A HEARING

Either party to this medical dispute may disagree with all or part of the Decision and has a right to request a hearing. A request for a hearing must be in writing and it must be received by the TWCC Chief Clerk of Proceedings/Appeals Clerk within 20 (twenty) days of your receipt of this decision (28 Texas Administrative Code § 148.3). This Decision was mailed to the health care provider and placed in the Austin Representatives box on _____. This Decision is deemed received by you five days after it was mailed and the first working day after the date the Decision was placed in the Austin Representative's box (28 Texas Administrative Code § 102.5(d)). A request for a hearing should be sent to: Chief Clerk of Proceedings/Appeals Clerk, P.O. Box 17787, Austin, Texas, 78744 or faxed to (512) 804-4011. A copy of this Decision should be attached to the request.

The party appealing the Division's Decision shall deliver a copy of their written request for a hearing to the opposing party involved in the dispute.

Si prefiere hablar con una persona in español acerca de ésta correspondencia, favor de llamar a 512-804-4812.

PART VIII: INSURANCE CARRIER DELIVERY CERTIFICATION

I hereby verify that I received a copy of this Decision in the Austin Representative's box.

Signature of Insurance Carrier: _____ Date: _____